

**PRESS RELEASE**

2020 annual results

February 17, 2021

SOLID PERFORMANCES**KERING READY TO LEVERAGE THE REBOUND**

Consolidated revenue: €13,100.2 million
down 17.5% reported and 16.4% comparable

Recurring operating income: €3,135.2 million
Recurring operating margin: 23.9%

Net income attributable to the Group: €2,150.4 million
Recurring net income attributable to the Group¹: €1,972.2 million

Recommended ordinary dividend stable at €8.00 per share

« In a year of disruption, Kering demonstrated remarkable resilience and agility. We achieved a solid top-line recovery in the second half, we protected our margins while continuing to invest in our Houses and growth platforms, our cash flow generation remained elevated, and we further strengthened the Group's financial structure. This year, safeguarding the health and safety of our employees and customers was our first priority. I am grateful for the resourcefulness and commitment of all Kering people. I am proud of the solidarity our Group has shown in this unprecedented environment. More than ever, I am convinced that our strategy and business model are perfectly in sync with the current and future trends of the Luxury universe. We are emerging from the crisis stronger and better positioned to leverage the rebound. We invest in all our brands to maximize their potential, and to resume our profitable growth journey. »

François-Henri Pinault, Chairman and Chief Executive Officer

- 2020 consolidated revenue: €13,100.2 million, down 17.5% as reported and 16.4% on a comparable basis.
 - o Sales generated by the retail network down 15.9% on a comparable basis in 2020 owing to store closures and the halt in tourism; sharp rebound in the second half led by North America and Asia-Pacific.
 - o Further sharp acceleration in online sales, up 67.5% over the year. Online sales accounted for 13% of total sales generated by the retail network.
 - o Sales generated through the wholesale network down 17.4% on a comparable basis.
- Resilient profitability, with recurring operating income of €3,135.2 million, yielding a solid recurring operating margin of 23.9%. Further investment in the Houses and growth platforms.

¹ Recurring net income attributable to the Group: net income from continuing operations attributable to the Group, excluding non-recurring items.

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Key financial indicators

<i>(in € millions)</i>	2020	2019	Change
Revenue	13,100.2	15,883.5	-17.5%
Comparable change			-16.4%
Recurring operating income	3,135.2	4,778.3	-34.4%
<i>as a % of revenue</i>	23.9%	30.1%	-6.2 pts
EBITDA	4,574.2	6,023.6	-24.1%
<i>as a % of revenue</i>	34.9%	37.9%	-3.0 pts
Net income attributable to the Group	2,150.4	2,308.6	-6.9%
Recurring net income attributable to the Group⁽¹⁾	1,972.2	3,211.5	-38.6%

(1) Recurring net income attributable to the Group: net income from continuing operations attributable to the Group, excluding non-current items.

Operating performance

<i>(in € millions)</i>	2020	2019	Reported change	Comparable change ⁽¹⁾
Revenue				
Total Luxury Houses	12,676.6	15,382.6	-17.6%	-16.5%
Gucci	7,440.6	9,628.4	-22.7%	-21.5%
Yves Saint Laurent	1,744.4	2,049.1	-14.9%	-13.8%
Bottega Veneta	1,210.3	1,167.6	+3.7%	+4.8%
Other Houses	2,281.3	2,537.5	-10.1%	-9.4%
Corporate and other	423.6	500.9	-15.4%	-14.6%
KERING	13,100.2	15,883.5	-17.5%	-16.4%

(1) Comparable Group structure and exchange rate basis.

<i>(in € millions)</i>	2020	2019	Change (in €m)	Change (%)
Recurring operating income				
Total Luxury Houses	3,367.1	5,042.0	(1,674.9)	-33.2%
Gucci	2,614.5	3,946.9	(1,332.4)	-33.8%
Yves Saint Laurent	400.0	562.2	(162.2)	-28.9%
Bottega Veneta	172.0	215.2	(43.2)	-20.1%
Other Houses	180.6	317.7	(137.1)	-43.2%
Corporate and other	(231.9)	(263.7)	31.8	+12.1%
KERING	3,135.2	4,778.3	(1,643.1)	-34.4%



Total revenue generated by Kering's Houses in 2020 amounted to €12,676.6 million, down 17.6% as reported and 16.5% on a comparable basis. While the health crisis and lockdown measures took a heavy toll on the Houses' first-half sales (down 30.2%), the situation improved significantly in the second half (down 3.3%), despite new restrictions towards the end of the year in certain regions.

In the retail network, comparable sales declined 15.9% over the year and were nearly stable in the second half (down 1.5%). E-commerce sales further accelerated (up 67.5%), accounting for 13% of total sales generated by the retail network in the year.

Wholesale revenue was down 17.4% on a comparable basis, in line with the Group's strategy to streamline and make this channel more exclusive.

In the fourth quarter, total revenue generated by the Houses contracted 4.8% on a comparable basis, including a 2.9% decrease for the retail network.

Recurring operating income for the Houses totaled €3,367.1 million in 2020, resulting in a recurring operating margin of 26.6%.

Gucci: solid performances and fundamentals

Gucci posted **revenue** of €7,440.6 million in **2020**, down 22.7% as reported and 21.5% on a comparable basis. Sales generated in directly operated stores fell 19.5% on a comparable basis, with a significant improvement in the second half (down 5.9%). Despite the store closures resulting from the pandemic, Gucci recovered a robust and encouraging sales momentum with local customers, especially in Mainland China, which benefited from repatriation of demand. Online sales continued to enjoy fast-paced growth, up nearly 70% for the year. Wholesale revenue dropped 33.4% based on a comparable basis, reflecting Gucci's strategy of continuing to enhance its distribution network's exclusivity.

In the fourth quarter, revenue was down 10.3% on a comparable basis, including a 7.5% decrease for the retail network.

Gucci's **recurring operating income** in 2020 totaled €2,614.5 million. **Recurring operating margin** was extremely resilient, at 35.1% for the year, reaching 38.6% in the second half, while the House pursued its investments.

Yves Saint Laurent: resilience and return to growth in the second half

Yves Saint Laurent posted **revenue** of €1,744.4 million in **2020**, down 14.9% as reported and 13.8% on a comparable basis. After a sharp contraction in the first half, the House's revenue returned to growth in the second half, growing by 2.1% on a comparable basis. In the full year, revenue from directly operated stores retreated 13.4% on a comparable basis, while online sales surged, up nearly 80%, and wholesale revenue dropped 13.7% on a comparable basis.

Yves Saint Laurent put in a solid performance in the **fourth quarter** (up 0.5% on a comparable basis), with favorable sales momentum in Asia-Pacific, North America and Japan.

Recurring operating income totaled €400.0 million in the year, yielding a **recurring operating margin** of 22.9%.

Bottega Veneta: a remarkable year fueled by an exceptional creative drive

Bottega Veneta posted **revenue** of €1,210.3 million in **2020**, up 3.7% as reported and 4.8% on a comparable basis. After a mixed first-half performance, sales in the second half were strong, up 18.0% on a comparable basis. Comparable revenue in directly operated stores contracted 5.3% in the full year but rose 7.2% in the second half, buoyed by robust sales momentum in the Asia-Pacific region as well



as by e-commerce. Wholesale grew sharply (up 48.5%), thanks to the successful collections of the House which remains very exclusive in its selection of wholesale partners.

Trends were positive in all distribution channels in the **fourth quarter**, with revenue up 15.7% on high bases of comparison.

Bottega Veneta posted **recurring operating income** of €172.0 million for 2020 for a recurring operating margin of 14.2%. The House delivered recurring operating income growth of 15.4% in the second half of the year.

Other Houses: excellent momentum in the Couture & Leather Goods Division

Revenue of the Other Houses totaled €2,281.3 million in **2020**, down 10.1% as reported and 9.4% on a comparable basis. Balenciaga and Alexander McQueen delivered highly satisfactory performances, posting year-on-year revenue growth. The Jewelry Houses, penalized by their exposure to Western Europe, reported strong sales growth in Asia. Sales at Qeelin were up sharply over the year, buoyed by the strong recovery in Mainland China. Boucheron also delivered a solid performance in the Asia-Pacific region. In the full year, revenue for the Other Houses from the retail network was 4.9% lower, while wholesale revenue shrank 13.0%.

Sales in the **fourth quarter** posted solid growth (up 1.7% on a comparable basis), buoyed by double-digit growth in the Couture & Leather Goods Division.

Recurring operating income for the Other Houses totaled €180.6 million in the year, yielding a recurring operating margin of 7.9%.

Corporate and other

The Corporate and other segment delivered €423.6 million in sales, including €398.6 million for Kering Eyewear after eliminating intra-group sales and royalties paid to the Houses.

Kering Eyewear had **total sales** of €487.1 million in **2020**, down 17.6% on a comparable basis. After being hard hit by store closures in the first half, particularly in travel retail, revenue recovered in the second half, with a decline of 8.6%.

Net expenses of the Corporate and other segment totaled €231.9 million in 2020, an improvement of €31.8 million year on year, thanks mainly to Kering Eyewear, which delivered positive and higher recurring operating income in the year.

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Financial performance

In 2020, **other non-recurring operating income and expenses** represented net income of €163.0 million, including on the one hand the capital gain on the sale of the Group's 5.83% stake in PUMA in October 2020, and on the other hand asset impairment charges.

Net finance costs amounted to €341.7 million. This total includes the cost of net debt, which amounted to €43.3 million, 17.2% lower than in the same period of 2019.

Kering's **effective tax rate** in 2020 was 25.7%, while its effective tax rate on recurring income remained stable year on year, at 28.1%.

Cash flows and financial position

The Group's free cash flow from operations rose 38.4% in 2020, to €2,104.6 million.

As of December 31, 2020, Kering has a very robust financial structure, with net debt down 23.6%:

<i>(in € millions)</i>	Dec. 31, 2020	Dec. 31, 2019	Change
Capital employed	14,183.7	13,250.8	+7.0%
o/w Total equity	12,035.0	10,438.6	+15.3%
o/w Net debt	2,148.7	2,812.2	-23.6%

	2020	2019
Gearing (net debt/equity)	17.8%	26.9%

Dividend

At its February 16, 2021 meeting, the Board of Directors decided to ask shareholders to approve a €8.00 per-share cash dividend for 2020 at the Annual General Meeting to be held to approve the financial statements for the year ended December 31, 2020.

An interim cash dividend of €2.50 per share was paid on January 21, 2021 pursuant to a decision made by the Board on December 10, 2020.

The balance of the dividend for 2020 will be submitted for shareholder approval at the forthcoming Annual General Meeting to be held on April 22, 2021.

Outlook

Positioned in structurally fast-growing markets, Kering enjoys very solid fundamentals and a balanced portfolio of complementary, high-potential brands with clearly focused priorities. The Group's strategy is focused on achieving same-store revenue growth while ensuring the targeted and selective expansion of the store network in order to sustainably grow its Houses, strengthen the exclusivity of their distribution and consolidate their profitability profiles. The Group is also proactively investing to develop cross-business growth platforms in the areas of e-commerce, omni-channel distribution, logistics and technological infrastructure, expertise, and innovative digital tools.

The health and subsequent economic crises caused by the COVID-19 pandemic in 2020 have had major consequences on consumption trends, tourism flows and global economic growth. Along with the luxury sector, the Group was deeply impacted by the effects of the pandemic on its customers and its business operations, primarily in the first six months of the year. More favorable trends emerged in the

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second half, although these remain closely linked to developments in the health situation and associated restrictions across countries and regions.

Against this backdrop, Kering has taken all necessary measures to adapt its cost base, limit the decline in its profitability and preserve its cash flow generation, while maintaining the expenditure and investments required to protect its Houses' market positions and ensure their potential to bounce back. Kering also continues to resolutely pursue its strategy and will continue to manage and allocate its resources in order to support its operating performance, maintain high cash flow generation and optimize return on capital employed.

Thanks to its strong business model and structure, along with its robust financial position, Kering remains confident in its growth potential for the medium and long term. While the current environment remains subject to a number of uncertainties, the crisis has not called into question the structural growth drivers of the worldwide luxury market, fully validating the pertinence of Kering's strategy and enabling the Group to emerge stronger from the crisis.

At its meeting on February 16, 2021, the Board of Directors, under the chairmanship of François-Henri Pinault, approved the consolidated financial statements for 2020. The consolidated financial statements have been audited and the certification is in progress.

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AUDIOCAST

An **audiocast** for analysts and investors will be held at **8.30am** (CET) on **Wednesday, February 17, 2021**. It may be accessed [here](#).

The slides (PDF) will be available ahead of the audiocast at www.kering.com.

A replay of the audiocast will also be available at www.kering.com.

The 2020 financial document will be available at www.kering.com.

About Kering

A global Luxury group, Kering manages the development of a series of renowned Houses in Fashion, Leather Goods, Jewelry and Watches: Gucci, Saint Laurent, Bottega Veneta, Balenciaga, Alexander McQueen, Brioni, Boucheron, Pomellato, DoDo, Qeelin, Ulysse Nardin, Girard-Perregaux, as well as Kering Eyewear. By placing creativity at the heart of its strategy, Kering enables its Houses to set new limits in terms of their creative expression while crafting tomorrow's Luxury in a sustainable and responsible way. We capture these beliefs in our signature: "Empowering Imagination". In 2020, Kering had over 38,000 employees and revenue of €13.1 billion.

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APPENDICES

EXTRACT FROM THE CONSOLIDATED FINANCIAL STATEMENTS AND ADDITIONAL
INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2020

AUDITED FINANCIAL STATEMENTS, CERTIFICATION IN PROGRESS

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HIGHLIGHTS AND ANNOUNCEMENTS SINCE JANUARY 1, 2020

Finance and governance highlights

Revised dividend per share for 2019

April 21, 2020 – In light of the Covid-19 pandemic and its impact on economic activity, the Board of Directors decided to revise the amount allocated to the 2019 dividend payment and to recommend to shareholders at Kering SA's Annual General Meeting on June 16, 2020 that the total dividend payout should amount to €1,010 million, corresponding to €8 per share. This is €442 million lower than the amount announced when the Group released its 2019 results on February 12, 2020 (€1,452 million, or €11.50 per share).

Reduction in remuneration for 2020 for Kering's executive corporate officers

April 21, 2020 – In light of the Covid-19 pandemic and its impact on business activity, François-Henri Pinault, Chairman and CEO of Kering, decided to reduce the fixed portion of his salary from April 1, until the end of 2020. In addition, François-Henri Pinault and Jean-François Palus, Group Managing Director, decided to waive the entirety of the variable portions of their annual remuneration for 2020. These decisions were approved by Kering's Board of Directors on April 21, 2020. The Board therefore submitted a revised 2020 remuneration policy to the vote of the shareholders at the Annual General Meeting held on June 16, 2020.

Pro-active management of the Group's liquidity – a new bond issue and extension of syndicated loan facilities

May 5, 2020 – Kering carried out a €1.2 billion dual-tranche bond issue comprising (i) a €600 million tranche with a three-year maturity and a 0.25% coupon, and (ii) a €600 million tranche with an eight-year maturity and a 0.75% coupon. In line with the Group's pro-active liquidity management approach, this issue enables Kering to diversify its sources of financing and enhance its funding flexibility through refinancing of existing debt and extending the maturity of its financing facilities. Investors' high take-up rate of the issue confirmed the market's confidence in the Group's creditworthiness. Kering's long-term debt is rated "A-" with a stable outlook by Standard & Poor's.

The Group also extended its credit facilities from its banks in an aggregate amount of €1,330 million, giving it €4,635 million in total confirmed credit lines as of December 31, 2020, versus €3,035 million as of December 31, 2019

Jean Liu, Tidjane Thiam and Emma Watson join the Board of Kering as Directors

June 16, 2020 – Kering's shareholders approved the appointment of Jean Liu, Tidjane Thiam and Emma Watson as Directors during their Annual General Meeting, as proposed by the Board of Directors at its meeting of March 12, 2020. Emma Watson was also appointed Chair of the Sustainability Committee of the Board of Directors, while Tidjane Thiam was appointed Chair of the Audit Committee.

Kering successfully completes the sale of 5.83% of its PUMA shares

October 6, 2020 – The Group further reduced its investment in PUMA by selling a 5.83% stake on October 8, 2020 through an accelerated bookbuilding process with qualified investors at a price of €74.50 per share, corresponding to a total amount of €656 million. Kering has retained a 9.87% interest in PUMA.

Other highlights

Kering contributes to the worldwide fight against COVID-19 since January 28:

In China:

- Kering and its Houses announced a donation to the Hubei Red Cross Foundation to help fight the spread of the virus.

In Italy:

- Kering and its Houses made donations to four major foundation hospitals in Lombardy, Veneto, Tuscany and Lazio.



- Gucci responded to the appeal launched to the fashion industry by the Tuscany regional authorities, manufacturing 1.1 million surgical masks and 55,000 medical overalls for health workers.

In France:

- Kering imported 3 million surgical masks from China.
- Kering made a financial donation to Institut Pasteur to support its research into COVID-19.
- Kering financed the purchase of 60 3D printers for Paris' Cochin public hospital, so that it can rapidly produce large quantities of medical components and address the unprecedented demand for equipment during the COVID-19 epidemic.
- The French workshops of the Balenciaga and Yves Saint Laurent Houses manufactured officially approved surgical face masks.

In the United States:

- Kering and its Houses announced a joint donation of USD 1 million to the CDC Foundation, to support healthcare workers in the Americas. This donation helped support front-line health workers in the United States – and particularly the hardest hit States such as New York, New Jersey, California and Florida – as well as in Brazil.

In the United Kingdom:

- Kering donated face masks to the National Health Service (NHS).

Progress report on the Group's 2025 sustainability targets

January 30, 2020 – Three years after announcing its next-generation sustainability strategy, “Crafting Tomorrow's Luxury”, Kering published its Sustainability Progress Report. The Group has made serious progress and is on track to meet its 2025 targets, while setting the foundation to align with a 1.5°C pathway. Kering has reduced its overall environmental impacts by 14% in terms of EP&L intensity (between 2015 and 2018) and is on a positive trajectory to reach its 40% reduction target by 2025. GHG emissions have fallen 77% in intensity in Kering's own operations (between 2015 and 2018), with renewable energy use reaching 100% in seven countries, 78% in Europe and 67% covered overall, Group-wide. Kering has also reached its target of purchasing 100% responsible gold for its Jewelry and Watches Divisions, and is on track to reach 100% sustainable sourcing for other key raw materials by 2025. In addition, the Group has attained 88% traceability for its key raw materials.

Kering and its brands stand in solidarity against racism

June 2, 2020 – Kering and all its brands stand in solidarity against racism. On behalf of all its brands, Kering made a donation to the NAACP (National Association for the Advancement of Colored People), which fights to eliminate race-based discrimination in the United States, and Campaign Zero, an organization that aims to reduce police violence in the United States. The Group and its brands also committed to continue to develop initiatives and internal programs to foster respect, equality and fairness, recognizing that it is a journey and we are committed to continuously doing the work.

Biodiversity strategy

June 30, 2020 – For the first time, Kering published a dedicated biodiversity strategy with a series of new targets to achieve a “net positive” impact on biodiversity by 2025, which included launching a fund to support the fashion industry's transition to regenerative agriculture.

Kerby Jean-Raymond and Kering launch “Your Friends in New York”

September 10, 2020 – Kerby Jean-Raymond and Kering announced the creation of “Your Friends in New York”, a groundbreaking new platform designed to empower the next generation of innovators. “Your Friends in New York” will merge music, art, philanthropy and wellness to form an ecosystem of creativity that reimagines how consumers discover and interact with brands, including Jean-Raymond's own brand, Pyer Moss. Aiming to participate in this powerful community for new talents and innovation, Kering will support the project as a partner.

Progress report one year after the launch of the Fashion Pact

October 12, 2020 – One year after its creation, the Fashion Pact published its first progress report. The Fashion Pact is a global coalition of companies in the fashion and textile industry that was created following a mission given to Kering Chairman and CEO, François-Henri Pinault by French President, Emmanuel Macron. Today it has 60 members, all committed to a common core of ambitious key environmental goals in three areas: mitigating climate change, restoring biodiversity and protecting the oceans. With the support of some of the best technical experts, the Fashion Pact's signatories have identified seven tangible strategic targets, particularly in areas where collaborative action is needed to scale solutions

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and thus achieve critical impact on a global scale. The coalition has made its first strides, including implementing an operational structure, developing a dashboard of KPIs to measure the impact of its joint efforts, and initiating collaborative work on biodiversity drawing on the technical skills of industry experts.

Kering and Conservation International launch the Regenerative Fund for Nature

January 28, 2021 – Kering and Conservation International launched the Regenerative Fund for Nature to transform one million hectares of farms and landscapes producing raw materials in fashion’s supply chains to regenerative agriculture over the next five years. As an important step in achieving Kering’s commitment to have a net positive impact on biodiversity by 2025, the one million hectares under the new Fund is on top of Kering’s goal to protect an additional one million hectares of critical, “irreplaceable” habitat outside of its direct supply chain, entailing the transformation of two million hectares in total.



CONSOLIDATED INCOME STATEMENT

<i>(in € millions)</i>	2020	2019
CONTINUING OPERATIONS		
Revenue	13,100.2	15,883.5
Cost of sales	(3,590.6)	(4,108.5)
Gross margin	9,509.6	11,775.0
Personnel expenses	(2,070.0)	(2,290.8)
Other recurring operating income and expenses	(4,304.4)	(4,705.9)
Recurring operating income	3,135.2	4,778.3
Other non-recurring operating income and expenses	163.0	(168.5)
Operating income	3,298.2	4,609.8
Financial result	(341.7)	(309.5)
Income before tax	2,956.5	4,300.3
Income tax expense	(759.2)	(2,133.7)
Share in earnings (losses) of equity-accounted companies	(7.6)	41.8
Net income from continuing operations	2,189.7	2,208.4
o/w attributable to the Group	2,160.2	2,166.9
o/w attributable to minority interests	29.5	41.5
DISCONTINUED OPERATIONS		
Net income from discontinued operations	(9.8)	125.4
o/w attributable to the Group	(9.8)	141.7
o/w attributable to minority interests	-	(16.3)
TOTAL GROUP		
Net income of consolidated companies	2,179.9	2,333.8
o/w attributable to the Group	2,150.4	2,308.6
o/w attributable to minority interests	29.5	25.2
<i>(in € millions)</i>	2020	2019
Net income attributable to the Group	2,150.4	2,308.6
Basic earnings per share <i>(in €)</i>	17.20	18.40
Diluted earnings per share <i>(in €)</i>	17.20	18.40
Net income from continuing operations attributable to the Group	2,160.2	2,166.9
Basic earnings per share <i>(in €)</i>	17.28	17.27
Diluted earnings per share <i>(in €)</i>	17.28	17.27
Net income from continuing operations (excluding non-recurring items) attributable to the Group	1,972.2	3,211.5
Basic earnings per share <i>(in €)</i>	15.78	25.59
Diluted earnings per share <i>(in €)</i>	15.78	25.59

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets

<i>(in € millions)</i>	Dec. 31, 2020	Dec. 31, 2019
Goodwill	2,452.2	2,525.9
Brands and other intangible assets	6,985.8	7,260.5
Lease right-of-use assets	3,956.8	4,246.7
Property, plant and equipment	2,670.2	2,619.3
Investments in equity-accounted companies	36.2	1,105.3
Non-current financial assets	1,688.6	458.4
Deferred tax assets	1,177.4	1,367.6
Other non-current assets	17.4	18.8
Non-current assets	18,984.6	19,602.5
Inventories	2,845.5	2,959.2
Trade receivables	824.2	996.0
Current tax receivables	600.5	280.7
Current financial assets	158.0	38.4
Other current assets	1,149.1	979.4
Cash and cash equivalents	3,442.8	2,285.9
Current assets	9,020.1	7,539.6
Assets held for sale	0.7	6.1
TOTAL ASSETS	28,005.4	27,148.2

Equity and liabilities

<i>(in € millions)</i>	Dec. 31, 2020	Dec. 31, 2019
Equity attributable to the Group	11,820.9	10,278.1
Equity attributable to minority interests	214.1	160.5
Equity	12,035.0	10,438.6
Non-current borrowings	3,815.3	3,122.2
Non-current lease liabilities	3,545.8	3,598.6
Non-current financial liabilities	80.0	47.9
Non-current provisions for pensions and other post-employment benefits	107.5	106.5
Non-current provisions	18.4	15.1
Deferred tax liabilities	1,485.1	1,530.4
Other non-current liabilities	183.6	141.4
Non-current liabilities	9,235.7	8,562.1
Current borrowings	1,776.2	1,975.9
Current lease liabilities	538.0	720.0
Current financial liabilities	338.1	503.2
Trade payables	666.0	808.7
Current provisions for pensions and other post-employment benefits	12.2	8.9
Current provisions	212.4	216.0
Current tax liabilities	901.3	1,361.5
Other current liabilities	2,290.4	2,552.5
Current liabilities	6,734.6	8,146.7
Liabilities associated with assets held for sale	0.1	0.8
TOTAL EQUITY AND LIABILITIES	28,005.4	27,148.2



CONSOLIDATED STATEMENT OF CASH FLOWS

<i>(in € millions)</i>	2020	2019
Net income from continuing operations	2,189.7	2,208.4
Net recurring charges to depreciation, amortization and provisions on non-current operating assets	1,439.0	1,245.3
Other non-cash (income) expenses	(282.8)	(392.4)
Cash flow received from operating activities	3,345.9	3,061.3
Interest paid (received)	277.4	277.1
Dividends received	-	-
Current tax expense	657.0	2,597.9
Cash flow received from operating activities before tax, dividends and interest	4,280.3	5,936.3
Change in working capital requirement	44.4	(557.5)
Income tax paid	(1,436.1)	(2,903.5)
Net cash received from operating activities	2,888.6	2,475.3
Acquisitions of property, plant and equipment and intangible assets	(786.9)	(955.8)
Disposals of property, plant and equipment and intangible assets	2.9	1.2
Acquisitions of subsidiaries and associates, net of cash acquired	6.2	(42.4)
Disposals of subsidiaries and associates, net of cash transferred	656.3	0.8
Acquisitions of other financial assets	(267.9)	(285.6)
Disposals of other financial assets	186.0	76.6
Interest and dividends received	6.9	19.1
Net cash received from (used in) investing activities	(196.5)	(1,186.1)
Dividends paid to shareholders of Kering SA	(1,000.1)	(1,320.1)
Dividends paid to minority interests in consolidated subsidiaries	(9.3)	(21.9)
Transactions with minority interests	(27.5)	(19.2)
(Acquisitions) disposals of Kering treasury shares	(54.1)	(402.1)
Issuance of bonds and bank debt	1,443.1	644.6
Redemption of bonds and bank debt	(642.3)	(287.6)
Issuance (redemption) of other borrowings	(258.6)	798.8
Repayment of lease liabilities	(787.3)	(639.6)
Interest paid and equivalent	(287.0)	(289.9)
Net cash received from (used in) financing activities	(1,623.1)	(1,537.0)
Net cash received from (used in) discontinued operations	(4.3)	132.7
Impact of exchange rates on cash and cash equivalents	97.8	116.4
Net increase (decrease) in cash and cash equivalents	1,162.5	1.3
Cash and cash equivalents at opening	1,837.6	1,836.3
Cash and cash equivalents at closing	3,000.1	1,837.6



REVENUE FOR THE FIRST, SECOND, THIRD AND FOURTH QUARTERS OF 2020

<i>(in € millions)</i>	Q4 2020	Q4 2019 ⁽¹⁾	Reported change	Comparable change ⁽¹⁾	Q3 2020	Q3 2019 ⁽¹⁾	Reported change	Comparable change ⁽¹⁾	Q2 2020	Q2 2019 ⁽¹⁾	Reported change	Comparable change ⁽¹⁾	Q1 2020	Q1 2019 ⁽¹⁾	Reported change	Comparable change ⁽¹⁾
Total Luxury Houses	3,901.0	4,240.4	-8.0%	-4.8%	3,600.1	3,777.8	-4.7%	-1.6%	2,109.8	3,716.3	-43.2%	-43.4%	3,065.7	3,648.1	-16.0%	-16.9%
Gucci	2,280.6	2,636.6	-13.5%	-10.3%	2,087.8	2,374.7	-12.1%	-8.9%	1,268.1	2,291.5	-44.7%	-44.7%	1,804.1	2,325.6	-22.4%	-23.2%
Yves Saint Laurent	552.6	569.6	-3.0%	+0.5%	510.7	506.5	+0.8%	+3.9%	246.5	475.5	-48.2%	-48.4%	434.6	497.5	-12.6%	-13.8%
Bottega Veneta	374.7	334.3	+12.1%	+15.7%	332.5	284.3	+17.0%	+20.7%	229.4	300.9	-23.8%	-24.4%	273.7	248.1	+10.3%	+8.5%
Other Houses	693.1	699.9	-1.0%	+1.7%	669.1	612.3	+9.3%	+11.7%	365.8	648.4	-43.6%	-44.0%	553.3	576.9	-4.1%	-5.4%
Corporate and other	103.2	120.1	-14.1%	-11.0%	117.6	106.8	+10.1%	+13.8%	65.3	136.8	-52.3%	-52.5%	137.5	137.2	+0.2%	-1.3%
KERING	4,004.2	4,360.5	-8.2%	-5.0%	3,717.7	3,884.6	-4.3%	-1.2%	2,175.1	3,853.1	-43.5%	-43.7%	3,203.2	3,785.3	-15.4%	-16.4%

⁽¹⁾ On a comparable Group structure and exchange rate basis.



MAIN DEFINITIONS

“Reported” and “comparable” revenue

The Group’s “reported” revenue corresponds to published revenue. The Group also uses “comparable” data to measure organic growth. “Comparable” revenue refers to 2019 revenue adjusted as follows by:

- neutralizing the portion of revenue corresponding to entities divested in 2019;
- including the portion of revenue corresponding to entities acquired in 2020;
- remeasuring 2019 revenue at 2020 exchange rates.

These adjustments give rise to comparative data at constant scope and exchange rates, which serve to measure organic growth.

Recurring operating income

The Group’s operating income includes all revenues and expenses directly related to its activities, whether these revenues and expenses are recurring or arise from non-recurring decisions or transactions.

Other non-recurring operating income and expenses consist of items that, by their nature, amount or frequency, could distort the assessment of the Group’s operating performance as reflected in its recurring operating income. They include changes in Group structure, the impairment of goodwill and brands and, where material, of property, plant and equipment and intangible assets, capital gains and losses on disposals of non-current assets, restructuring costs and disputes.

“Recurring operating income” is therefore a major indicator for the Group, defined as the difference between operating income and other non-recurring operating income and expenses. This intermediate line item is intended to facilitate the understanding of the operating performance of the Group and its Houses and can therefore be used as a way to estimate recurring performance. This indicator is presented in a manner that is consistent and stable over the long term in order to ensure the continuity and relevance of financial information.

EBITDA

The Group uses EBITDA to monitor its operating performance. This financial indicator corresponds to recurring operating income plus net charges to depreciation, amortization and provisions on non-current operating assets recognized in recurring operating income.

Free cash from operations, available cash flow from operations and available cash flow

The Group uses an intermediate line item, “Free cash flow from operations”, to monitor its financial performance. This financial indicator measures net operating cash flow less net operating investments (defined as acquisitions and disposals of property, plant and equipment and intangible assets).

The Group has also defined a new indicator, “Available cash flow from operations”, in order to take into account capitalized fixed lease payments (repayments of principal and interest) pursuant to IFRS 16, and thereby reflect all of its operating cash flows.

“Available cash flow” therefore corresponds to available cash flow from operations plus interest and dividends received, less interest paid and equivalent (excluding leases).

Net debt

Net debt is one of the Group’s main financial indicators, and is defined as borrowings less cash and cash equivalents. Consequently, the cost of net debt corresponds to all financial income and expenses associated with these items, including the impact of derivative instruments used to hedge the fair value of borrowings.

Effective tax rate on recurring income

The effective tax rate on recurring income corresponds to the effective tax rate excluding tax effects relating to other non-recurring operating income and expenses.

IAS 17-adjusted financial indicators

Certain key indicators such as recurring operating income and EBITDA may be presented on an adjusted IAS 17 basis, i.e., as if IAS 17 had been applied instead of IFRS 16. In such cases, the indicator will be followed by the phrase “adjusted for IAS 17” in brackets.